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REQUEST FOR PROPOSALS  
REFINANCING OF ENERGY PERFORMANCE CONTRACT MUNICIPAL LEASE

\$9,927,092.74

NORTHPORT-EAST NORTHPORT UNION FREE SCHOOL DISTRICT  
SUFFOLK COUNTY, NEW YORK

**Proposals Due By: 12:00 pm on February 16, 2022**

Submit Proposals To: Robert Howard  
Assistant Superintendent for Business  
Northport-East Northport Union Free School District  
c/o Michael Loguercio  
President  
Munistat Services, Inc.  
12 Roosevelt Avenue  
Port Jefferson Station, New York 11776  
Phone (631) 331-8888  
Fax (631) 331-8834  
E-mail: [mloguercio@munistat.com](mailto:mloguercio@munistat.com)

Lease Date: March 15, 2022

PURPOSE FOR FINANCING

On October 21, 2016, the Board of Education of the Northport-East Northport Union Free School District (the "School District") entered into a \$12,965,659, 18-year lease purchase agreement (the "Original Energy Performance Lease") at a rate of 3.20% with a qualified lender, the proceeds of which were used to finance the installation of certain energy conservation measures by Johnson Controls, Inc. at certain facilities owned by the School District (the "Original Energy Performance Lease"). The Original Energy Performance Lease will, as of March 15, 2022, have a termination amount of \$9,927,092.74 and will be pre-payable on the scheduled payment date of March 15, 2022, at a total prepayment price of \$9,927,092.74 (inclusive of all outstanding principal, unpaid accrued interest to the prepayment date, cost of issuance, plus a prepayment premium of 2.0%).

The Board of Education, as Lessee, is now seeking qualified lenders to provide financing, the proceeds of which will be used to refinance the Original Energy Performance Lease, pursuant to a federal non-bank qualified, tax-exempt lease purchase refinancing agreement. See “Financing Term”, and “Payments and Rates” below for an explanation of the refinancing term and structuring requirements.

## FINANCIAL TERMS

Lessee: Northport-East Northport Union Free School District, a public school district of the State of New York.

Lessor: Successful Bidder.

Amount: \$9,927,092.74

ESCO: Johnson Controls, Inc.

Financing Term: the final maturity date of the Original Energy Performance Lease is September 15, 2034. The final maturity date of the refinancing Energy Performance Lease must occur on or before September 15, 2034.

Payments and Rate: The Original Energy Performance Lease is structured with semi-annual principal and interest payments on the 15<sup>th</sup> of each March and September. The payment dates and structure of the Performance Lease Purchase Agreement (the “Lease Finance Agreement”) should mirror the original payment dates. The payments will commence on September 15, 2022 and will continue through and include September 15, 2034. Interested proposers should provide quotes which are calculated on a semi-annual basis and conform to New York State Local Finance Law level debt service requirements. **Please submit an amortization schedule with the proposal.**

The Lease Finance Agreement shall separately state the principal and interest component of the periodic payments to be made thereunder. The total of these payments, which include both principal and interest components made by the District each year throughout the term of the Agreement, shall result in substantially level or declining annual debt service. Each payment shall be detailed in an amortization schedule prepared by the Proposer. The proposed Lease Finance Agreement shall define the purpose and objective of the financing. Each lease-purchase agreement must specify the applicable interest rate as well as the standard contractual terms and conditions. The form of lease purchase agreement and related documents must be submitted with the proposal. Proposers must satisfy themselves that the credit approval will be granted prior to submitting a proposal. All finance documents are subject to modification by District counsel. All agreements and contractual conditions are required to conform with the laws of the State of New York including but not limited to New York General Municipal Law, Local Finance Law, Education Law and

the regulations of the New York State Education Department, Commissioner of Education and the Office of the New York State Comptroller. The District's legal counsel will review and approve all documents before Board of Education consideration and action. Lessor shall provide a statement and thirty days' notification prior to each payment due date.

Prepayment: The School District shall have the optional right to prepay, without incurring any penalties and/or additional expenses, costs or fees, any or all of the principal portion outstanding on any payment date under the Agreement upon payment of the then applicable termination value, which will be calculated as 100% of the outstanding principal balance and provided that the District gives a 30 day notice to the Lessor (as determined by the selected maturity schedule) of its intent to prepay.

UCC Filing: The School District will not provide a legal description for each District property in connection with this financing. In the event the winning Proposer requires this information for the purposes of making a fixture filing pursuant to the applicable provisions of the Uniform Commercial Code, the winning Proposer may obtain such information at its own efforts and expense.

Commitment/Facility Fee: Proposer to detail any commitment fees on lease transaction summary form. However, Lessor shall be responsible for all origination and commitment fees and expenses. The District shall not incur or absorb any fees of Lessor related to Lessor's proposal, negotiations or closing or other activities related to this RFP or the proposed transaction. In the event that a transaction does not close because of the successful Proposer's failure to meet the terms of this RFP, the successful Proposer shall be responsible for any and all costs incurred by the District in connection with the failed transaction and its negotiation.

Collateral: First security interest in the Equipment only.

Other: All proceeds are to be disbursed to the Original Energy Performance Lease purchaser on March 15, 2022, and the current holder of the funds will release the lien to the winning purchaser on the date of closing.

The District will not defend or hold the Lessor harmless from any adverse changes in the tax status of the transaction, after tax yield or cash flows resulting from changes in the Federal or State tax codes or regulations.

Any assignment of the Lease Finance Agreement by the successful proposer shall be subject to the prior, written consent of the School District. The Lease Finance Agreement must state that any assignment or transfer of the Lessor's interest shall not be effective until and unless the School District has received prior, written notice, signed by the Lessor, of the name, contact person, address, telephone number and tax identification number of the proposed assignee and the School District's prior, written consent.

General Terms and Conditions: Without limiting the inclusions of standard provisions for energy performance contract lease financing the Lessor agrees the following terms and conditions shall apply:

Any contract entered into by the District shall contain the following clause: "This contract shall be deemed executory only to the extent of the monies appropriated and available for the purpose of the contract, and no liability on account therefore shall be incurred by the political subdivision beyond the amount of such monies. The installment purchase contract is not a general obligation of the District. Neither the full faith and credit nor the taxing power of the District are pledged to the payment of any amount due or to become due under such installment purchase contract. It is understood that neither this contract nor any representation by any public employee or officer creates any legal or moral obligation to appropriate or make available monies available for the purpose of the contract."

Lease payments shall be subject to appropriation each year by the School District's Board of Education. In the case of a failure to appropriate, the sole security under the Lease shall be the Equipment. In the event that no funds or insufficient funds are appropriated by the District to pay the Lease, the Equipment may be acquired and sold by or on behalf of the Lessor, provided that any excess proceeds from such a sale, after deduction for and payment of fees, expenses and any taxes levied on the sale, shall be paid to the District. Prior to the sale or seizure of such equipment, the District shall be provided adequate written notice, no less than ninety (90) days to cure any default. Should such a sale or seizure take place the parties shall cooperate and there shall be no disruption to the District's operation to the extent possible.

Tax Opinion: The successful proposer will be furnished without cost with the opinion as to tax exemption of the law firm of Hawkins Delafield & Wood LLP ("Bond Counsel"). The Lease will NOT be a bank qualified Lease pursuant to section 265 of the Internal Revenue Code.

Opinion of the School Attorney: At closing, the District shall furnish an opinion of the School Attorney, dated the closing date, to the effect that there is no controversy, litigation of any nature pending or threatened to restrain or enjoin the execution or delivery of the installment financing agreement.

Amendments to RFP: The School District reserves the right to amend this RFP for any reason and/or based upon questions and issues received in writing during the proposal process. Any verbal information obtained from or statements made by the representative of the School District or its designee at the time of examination of the documents or site shall not be construed as, in any way, amending the RFP documents or binding upon the School District. Only such corrections or addenda that are issued during RFP process shall be included in the RFP response and become a part of any subsequent contract agreement.

During the evaluation process, the School District reserves the right, where it may serve the School District's best interest, to request additional information or clarification from proposers, or to allow corrections of error or omissions.

Basis for Award: The School District reserves the right, in its sole discretion, to reject any and all proposals, or any part thereof, received in response to this Request for Proposals, to waive formalities, to request additional information from any Proposer, and to award and negotiate the terms of the contract with any Proposer. The School District intends to select the Proposer whose proposal is most advantageous to the School District and best meets the School District's needs for this lease, and not necessarily the proposer with the lowest cost proposal. In determining which proposal is most advantageous and in the School District's best interests, the School District will evaluate, among other things, the overall financing cost (inclusive of any interest and fees) to the School District, the adequacy of each proposal, and the qualifications of the Proposer. The School District will not have any liability to any Proposer for any costs or expenses incurred in connection with your response to this request for proposals. The adequacy of qualifications of respondents shall be determined by the School District and will not be subject to appeal.

All proposals shall be hand signed by an individual legally authorized to bind the proposing entity and the signer's name shall also be typed or printed on or under the signature together with his/her title or designation.

#### ADDITIONAL INFORMATION

Munistat Services, Inc. has assisted the School District as financial advisor in certain matters with respect to the preparation of its Request for Proposal. A copy of the School District's fiscal year ending June 30, 2020 through and including fiscal year ending June 30, 2021 audited financial statements, can be found on the Munistat Services, Inc. website: [www.munistat.com](http://www.munistat.com). Additional Disclosure is available upon request.

Additional information may be obtained from the office of Robert Howard, Assistant Superintendent Northport-East Northport Union Free School District, Business Office, 158 Laurel Avenue, Northport, New York, 11768 telephone number (631) 262-6632 and email: robert.howard@northport.k12.ny.us, or from the office of Munistat Services, Inc., Michael Loguercio, President, 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888. Requests for information must be made in writing to Munistat Services, Inc., Attention to Michael Loguercio.

All Contract submitted as a result of this Request for Proposals are subject to the review of and modification by the School District's legal counsel.

REQUEST FOR ENERGY PERFORMANCE CONTRACT

MUNICIPAL LEASE FINANCING

IN THE AMOUNT OF \$9,927,092.74

FOR

NORTHPORT-EAST NORTHPORT UNION FREE SCHOOL DISTRICT  
SUFFOLK COUNTY, NEW YORK

**PROPOSALS DUE BY: 12:00pm on February 16, 2022**

**PROPOSAL FORM  
ENERGY PERFORMANCE CONTRACT  
FOR  
NORTHPORT-EAST NORTHPORT UNION FREE SCHOOL DISTRICT**

To: Robert Howard  
Assistant Superintendent  
Northport-East Northport Union Free School District  
c/o Michael Loguercio  
President  
Munistat Services, Inc.  
12 Roosevelt Avenue  
Port Jefferson Station, New York 11776  
Phone (631) 331-8888  
Fax (631) 331-8834  
E-mail: mloguercio@munistat.com

Type of Equipment: Refinancing of Energy Performance Lease

Transaction Size: \$9,927,092.74

Structure: Initial interest payment, and subsequent semi-annual payments of principal and interest, in arrears

**Lease Term:** Please provide amortization schedule with semiannual principal and interest payments beginning on September 15, 2022.

**First Payment  
September 15, 2022**

Average Annual Interest Rate: \_\_\_\_\_ %

All-In Interest Rate: \_\_\_\_\_ %

Payment Structure:  
(include total principal payments including any Costs of Issuance): \_\_\_\_\_

Total Interest over term of Agreement: \$ \_\_\_\_\_

Purchasers Costs: \$ \_\_\_\_\_

**First Payment**  
**September 15, 2022**

Total Cost to District over Agreement Term: \$ \_\_\_\_\_

Semi-annual Payment Amount: \$ \_\_\_\_\_

Prepayment: The School District will have the optional right to prepay any or all of the principal portion outstanding on any date under the Lease/Purchase Agreement upon payment of the then applicable termination value, which will be calculated as 100% of the outstanding principal balance and provided that the District gives a 30 day notice to the Lessor (as determined by the selected maturity schedule). **Please feel free to provide any other redemption provisions the District should consider.**

ATTACH AMORTIZATION SCHEDULE

Proposal must identify any costs associated with this proposal and cap these costs. The following costs must be itemized and will be taken into account to determine the all-inclusive cost of borrowing:

**First Payment**  
**September 15, 2022**

Other Expenses: \$ \_\_\_\_\_

The undersigned Proposer certifies this proposal is firm for **45 days** from the date of submittal. It is the intent of the District to formally award the bid to the selected winner by \_\_\_\_\_.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_